

CENTRAL FUND OF CANADA LTD
Form 6-K
August 06, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August, 2009

Commission File Number 001-09038

CENTRAL FUND OF CANADA LIMITED

(Translation of registrant's name into English)

Suite 805, 1323 - 15th Avenue S.W., Calgary, Alberta , Canada T3C 0X8

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F

Form 40-F

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CENTRAL FUND OF CANADA LIMITED
(Registrant)

Date: August 6, 2009

By: /s/ J.C. STEFAN SPICER

(Signature)

J.C. Stefan Spicer, President & CEO

INCORPORATION BY REFERENCE

Exhibit 99.1 to this Form 6-K is hereby incorporated by reference as an exhibit to the registration statement on Form F-10 of Central Fund of Canada Limited (File No. 333-149880).

EXHIBIT INDEX

EXHIBIT NO. DESCRIPTION

99.1 Underwriting Agreement dated August 6, 2009

EXECUTION COPY

UNDERWRITING AGREEMENT

August 6, 2009

Central Fund of Canada Limited

Hallmark Estates, Suite 805

1323-15th Avenue S.W.

Calgary, Alberta

T3C 0X8

Attention: Mr. J. C. Stefan Spicer
President, CEO and Director

CIBC World Markets Inc., (the "Underwriter"), understands that Central Fund of Canada Limited (the "Corporation") proposes to issue and sell to the Underwriter 11,040,000 Class A non-voting, fully participating shares ("Class A Shares") in the capital of the Corporation (the "Underwritten Shares"). We further understand that the Corporation has prepared and filed a short form base shelf prospectus, a registration statement and all necessary documents relating thereto and will prepare and file, without delay, a fifth prospectus supplement and all necessary related documents and will take all additional necessary steps to qualify or register the Underwritten Shares for distribution in each of the Qualifying Canadian Jurisdictions (as defined below) and in the United States, as applicable.

Based on the foregoing, and subject to the terms and conditions contained in this Agreement, the Underwriter offers to purchase from the Corporation, and by its acceptance hereof, the Corporation accepts such offer and agrees to sell to the Underwriter, the Underwritten Shares on the Closing Date (as defined below) at a price of U.S. \$11.90 per share being an aggregate purchase price of U.S. \$131,376,000 (the "Purchase Price").

In consideration of the Underwriter's agreement to purchase the Underwritten Shares and in consideration of the services to be rendered by the Underwriter in connection with the distribution of the Underwritten Shares in each of the Qualifying Canadian Jurisdictions and the United States, the Corporation will pay to the Underwriter a fee of approximately U.S. \$0.476 per Underwritten Share for an aggregate of U.S. \$5,255,040 (the "Underwriting Fee"), assuming the Right is exercised in full. Such fee shall be due and payable at the Closing Time (as defined below) against payment by the Underwriter for the Underwritten Shares.

All actions to be undertaken by the Underwriter in connection with the offering or sale of the Underwritten Shares in the United States, shall be undertaken through its U.S. Dealer.

DEFINITIONS

In this Agreement:

“**affiliate**”, “**distribution**”, “**material**”, “**material**”, “**misrepresentation**”, and “**subsidiary**” when used in connection with the Canadian Shelf Prospectus, Canadian Prospectus Supplement or any Prospectus Amendment thereto shall have the respective meanings given to them under the Canadian Securities Laws, when used in connection with the Registration Statement, the U.S. Shelf Prospectus, the U.S. Prospectus Supplement or any Prospectus Amendment thereto shall have the respective meaning (to the extent applicable) under the U.S. Securities Laws including judicial and administrative interpretations thereof, and in all other contexts shall have the respective meanings given to them under Canadian Securities Laws;

“**Agreement**” means the agreement resulting from the acceptance by the Corporation of the offer made by the Underwriter by this letter;

“**Applicable Securities Laws**” means the Canadian Securities Laws and the U.S. Securities Laws;

“**Applicable Time**” means the time identified by the Underwriter as the time of the first confirmed sale of Class A Shares pursuant to this Agreement, which shall be no earlier than the time that the initial U.S. Prospectus Supplement is filed;

“**ASC**” means the Alberta Securities Commission;

“**Business Day**” means a day which is not a Saturday, a Sunday or a statutory or civic holiday in Toronto or New York City and a day on which the office of the SEC in Washington D.C. is open for business;

“**Canadian Shelf Prospectus**” and “**Canadian Prospectus Supplement**” mean the Canadian short form base shelf prospectus of the Corporation dated March 31, 2008 and Canadian prospectus supplement dated the date hereof, respectively, including in each case any Documents Incorporated by Reference, prepared by the Corporation in accordance with National Instruments 44-101 and 44-102, respectively, relating to the distribution of the Underwritten Shares and prepared and filed with the Canadian Securities Regulators in accordance with Canadian Securities Laws;

“**Canadian Securities Laws**” means all applicable securities laws in each of the Qualifying Canadian Jurisdictions and the respective regulations and rules under such laws together with applicable published policy statements of the Canadian Securities Regulators in the Qualifying Canadian Jurisdictions;

“**Canadian Securities Regulators**” means the applicable securities commission or regulatory authority in each of the Qualifying Canadian Jurisdictions;

“**Canadian Transfer Agent**” means CIBC Mellon Trust Company, with its principal offices in the cities of Calgary, Montreal, Toronto and Vancouver;

“**Claim**” has the meaning given to it in sub-paragraph 10(a);

“**Class A Shares**” means Class A non-voting, fully participating shares without par value in the capital of the Corporation;

“**Closing**” means the completion of the sale by the Corporation and the purchase by the Underwriter of the Underwritten Shares pursuant to the terms and conditions of this Agreement;

“**Closing Date**” means August 13, 2009, or such other date as the Corporation and the Underwriter may agree upon in writing or as may be changed in accordance with subparagraph 4(c) of the Agreement;

“**Closing Time**” means 8:30 am (Toronto time) on the Closing Date;

“**Corporation**” means Central Fund of Canada Limited;

“**Common Shares**” means common shares without par value in the capital of the Corporation;

“**Disclosure Package**” means: (i) the U.S. Shelf Prospectus, as amended or supplemented; (ii) any U.S. Prospectus Supplement delivered to the Underwriter prior to the Applicable Time; (iii) the issuer free writing prospectuses, as defined in Rule 433 of the 1933 Act, listed on Schedule B hereto; and (iv) the information set forth on Schedule A hereto;

“**Documents Incorporated by Reference**” means collectively those documents incorporated by reference in the Canadian Shelf Prospectus, the U.S. Shelf Prospectus, the Canadian Prospectus Supplement and the U.S. Prospectus Supplement, including any other document prepared by the Corporation and filed with Canadian Securities Regulators after the date of this Agreement and before the completion of the distribution of the Underwritten Shares that is of a type that is required to be incorporated by reference in the Canadian Shelf Prospectus and the Canadian Prospectus Supplement pursuant to National Instrument 44-101;

“**Effective Date**” means any date as of which the Registration Statement or any amendment thereto is declared effective under the 1933 Act;

“**Financial Information**” means the Corporation’s financial statements included in the Documents Incorporated by Reference together with any auditors’ report thereon and the notes thereto;

“**FINRA**” means Financial Industry Regulatory Authority, Inc.;

“**free writing prospectus**” has the meaning set forth in Rule 405 of the 1933 Act;

“**Indemnified Party**” has the meaning given to it in subparagraph 10(b);

“**Indemnifier**” has the meaning given to it in subparagraph 11(a);

“**1933 Act**” means the United States Securities Act of 1933, as amended;

“**1934 Act**” means the United States Securities Exchange Act of 1934, as amended;

“**National Instrument 44-101**” means National Instrument 44-101 adopted by the Canadian Securities Regulators;

“**National Instrument 44-102**” means National Instrument 44-102 adopted by the Canadian Securities Regulators;

“**notice**” has the meaning given to it in paragraph 19;

“**Passport Receipt**” means a receipt issued by the applicable Canadian Securities Regulator, as principal regulator pursuant to the Passport System and which evidences the receipt of the applicable Canadian Securities Regulator, on behalf of itself and the Canadian Securities Regulators of the other Qualifying Canadian Jurisdictions (other than Ontario) for the Canadian Shelf Prospectus;

“**Passport System**” means the passport system provided for under National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*, adopted by the Canadian Securities Regulators, other than Ontario;

“**Prospectus Amendment**” means any amendment or supplement to any of the Shelf Prospectuses, the Disclosure Package, the Prospectus Supplements or the Registration Statement;

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“**Prospectus Supplements**” means, collectively, the Canadian Prospectus Supplement and the U.S. Prospectus Supplement;

“**Purchase Price**” has the meaning given to it above;

“**Qualifying Canadian Jurisdictions**” means all of the provinces (other than Québec) and territories of Canada;

“**Registration Statement**” means the registration statement number 333-149880 on Form F-10 referred to in paragraph 1(d) of this Agreement, including the U.S. Shelf Prospectus and the exhibits thereto and the Documents Incorporated by Reference therein, at the Effective Date and as thereafter amended or supplemented;

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“**Rules**” has the meaning given to it in subparagraph 7(t);

“**SEC**” means the United States Securities and Exchange Commission;

“**Shelf Prospectuses**” means, collectively, the Canadian Shelf Prospectus and the U.S. Shelf Prospectus;

“**Stock Exchanges**” means the Toronto Stock Exchange and the NYSE Amex, LLC;

“**Subsidiaries**” has the meaning ascribed thereto in the *Business Corporations Act* (Alberta);

“**Underwriter**” has the meaning given to it above;

“**Underwriting Fee**” has the meaning given to it above;

“**Underwritten Shares**” has the meaning given to it above;

“**U.S. Dealer**” means CIBC World Markets Corp., the U.S. broker-dealer affiliate of the Underwriter, registered as such with the SEC under Section 15 of the 1934 Act, which is a member of FINRA;

“**U.S. Prospectus Supplement**” means the prospectus supplement (including the Documents Incorporated by Reference therein) prepared by the Corporation and relating to the offering of Underwritten Shares in the United States, and filed by the Corporation pursuant to General Instruction II.L. of Form F-10 within the time period specified by such rule;

“**U.S. Securities Laws**” means all applicable securities legislation in the United States, including without limitation the 1933 Act and 1934 Act, and the rules and regulations promulgated thereunder, including judicial and administrative interpretations thereof; and

“**U.S. Shelf Prospectus**” means the prospectus, including any supplement thereto, included in the Registration Statement on the Effective Date (including the Documents Incorporated by Reference therein) prepared by the Corporation dated March 31, 2008;

“**U.S. Transfer Agent**” means Mellon Investor Services LLC, of Jersey City, New Jersey.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to “paragraphs”, “subparagraphs” and “clauses” are to the appropriate paragraph, subparagraph or clause of this Agreement.

All references to dollars or “\$” are Canadian dollars unless otherwise expressed.

TERMS AND CONDITIONS

1. Compliance with Securities Laws - Filing of Prospectuses

The Corporation represents and warrants to, and covenants and agrees with, the Underwriter that:

- (a) the Corporation has filed the Canadian Shelf Prospectus in each of the